United Nations DP/GCF/2/EXTENSION 1

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Extension of the second global cooperation framework

Note by the Administrator

Period of extension: 1 January 2004 to 31 December 2004

I. Background

1. In its decision 2001/7 of 5 February 2001, the Executive Board approved the second global cooperation framework (GCF) 2001-2003 (DP/GCF/2) for a total funding envelope of $187.6 million – $72.6 million of regular (core) resources and an additional proposed $115 million of other (non-core) resources.

2. The second GCF articulates the UNDP strategic areas of support for key advocacy, policy advisory and programme development activities and for knowledge networking as a means to implementing the Administrator's Business Plans, 2000-2003. GCF funding is the cornerstone of Bureau for Development Policy (BDP) operations, and supports the Human Development Report Office (HDRO) and Office of Development Studies (ODS), as well as discretionary funds for the Office of the Administrator.

3. Over the last two and a half years, BDP has contributed significantly to transforming UNDP into a knowledge-driven, practice-oriented organization. Fifty dedicated policy specialists in BDP are based in nine sub-regional resource facilities (SURFs) in Addis Ababa, Bangkok, Beirut, Bratislava, Dakar, Pretoria, Kathmandu, Panama City and Port-of-Spain – where they provide high-quality, demand-driven support to programme countries through the UNDP country offices. Another 25 are in New York working in the areas of global advocacy and analysis, support to regional bureaux, partnership development and knowledge-networking in order to ensure the operational alignment of the six UNDP practice areas – democratic governance, poverty reduction, crisis prevention and recovery, information and communication technology, energy and environment and HIV/AIDS.

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4. UNDP has also undergone a shift in programmatic focus. As part of the transformation to strengthen policy capacity in the organization, knowledge-based advisory services have been introduced in programme countries in an effort to contribute substantively to countries' development dialogue. Particular emphasis is placed on sharpening the focus of UNDP support to programme countries in the six practice areas throughout the organization. Gender equality and the empowerment of women has been a key objective in all six practices. Thematic trust funds (TTFs) have been introduced as operative instruments to mobilize resources to meet programme country demands. TTFs are a flexible modality to help UNDP to align its global, regional and country programmes with the practice areas. The TTFs are also a means for enabling country offices to fund strategic innovations.

5. The budget related to the HDRO and ODS have been programmed. In its decision 2002/18, the Executive Board endorsed new programming arrangements for the period 2004-2007, establishing fixed annual allocations for HDRO and for ODS. Beginning in 2004, therefore, the GCF will no longer fund these two programmes. Such funding is separate and distinct from the global programme allocation

6. The second GCF 2001-2003 (DP/GCF/2) specified the proposed resource target for 2001-2003 at $72.6 million of core resources and an additional $115 million in non-core. Non-core resource mobilization has exceeded the proposed resource target indicated in 2001, and has largely been programmed, including $62 million pledged through the TTFs.

II. Justification

7. With the establishment of UNDP as a knowledge-based organization, the current focus is to develop the organization's value-added, innovative products, partnerships and services that country offices can use to contribute to national development priorities. These products underpin the full confidence that country offices are drawing from the very best intellectual contributions and experience that the global development community has to offer.

8. As mirrored in its six practices, UNDP has been shaping its work in light of the evolving global development context, mainstreaming gender equality in all practices and taking a lead role in advocacy and analysis as reflected in UNDP input and support to global conferences and processes, which have been primarily led by BDP. Recent developments in the international community have reinforced the work of UNDP and are reflected in the delivery of the framework of the second GCF. Such developments include refining the service lines of the practice areas to reflect the Millennium Development Goals (MDGs) and agreements reached at international conferences – in particular the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, held in Durban, South Africa in 2001, the United Nations General Assembly Special Session on HIV/AIDS, held in New York in 2001, the International Conference on Financing for Development Conference, held in Monterrey in 2002, the World Summit on Sustainable Development, held in Johannesburg in 2002 and ongoing follow-up to the Beijing Declaration and Platform for Action. This process is likely to take four rather than three years.

9. The fundamental reorganization of BDP to support the implementation of the Administrator's Business Plans has meant that delivery of the second GCF has been

slower than anticipated. The recruitment process for new policy advisors has taken longer than expected, owing largely to the very large, unexpected response to job advertisements and the need to ensure a careful selection process. There were also unforeseen difficulties in agreeing on executing modalities with the lead executing agency, UNOPS. Both problems have subsequently been resolved. The network of global specialists is in place and functioning. The issues related to execution have been resolved in a manner that will increase efficiency in the future.

10. The remaining global programme portion of GCF funds is now being used to support global development dialogue on emerging issues, policy alignment, partnership development and knowledge networking. Global programmes are being developed in each of the major practice areas, and implementation has been delayed as a result of the overall redesigning of BDP described above.

III. Objectives

11. UNDP is requesting that the Executive Board extend the second GCF by one additional year until the end of 2004. The one-year extension of the second GCF entails no changes to the objectives, strategy and activities approved by the Executive Board, as they are deemed relevant and allow for integration. Rather, a one-year extension of the second GCF will enable the funds to be programmed and implemented in line with the MDGs, with agreements reached at global conferences, and with the service lines of the practice areas. It will also ensure closer links with the regional cooperation framework programming periods and resources.

12. The activities to be undertaken during the extension period will follow the four development dimensions set out in document DP/GCF/2 – globalization, participation, growth and crises – and use the methodologies developed therein: global advocacy and analysis; policy advice, support and alignment throughout programmes; and knowledge-networking and the sharing of best practices to ensure the greatest impact.

13. Programme and policy advisory services will be coherent and consistent with each other, gender equality will be fully mainstreamed, and programmes will be relevant to the needs of programme countries. The organization will ensure policy coherence between global, regional and national efforts, maintaining UNDP at the cutting edge of development dialogue.

14. In line with paragraph 52 of document DP/GCF/2, an advisory committee consisting of eminent persons has been constituted. It includes Mr. Steve Denning, Mr. Gus Edgren, Professor Solita Monsod, Ms. Angela Cropper, Mr. Halidou Ouedraogo, Mr. John Gage and Dr. Oscar Arias. The Advisory Committee has provided advice and recommendations to guide programme orientation, monitor progress and suggest strategic options to expand the impact and relevance of global programmes. Based on the information available at its April 2003 meeting, the committee believes that the second GCF is on the right track and will achieve its objectives. Because of delays in implementation owing to the reorganization of UNDP; the organization's embrace of the MDG framework and subsequent programmatic realignment; and the many important conferences of the last two years, the committee supports the Administrator's intention to request an extension of the second GCF for one additional year.

15. A forward-looking evaluation will be prepared during the second half of 2003 to assess the effectiveness of the overall approach, programme outcomes and policy services, and provide strategic input into preparations for the third GCF.

IV. Recommendation

16. The Administrator recommends that the Executive Board approve the extension of the second global cooperation framework for a period of one year, beginning on 1 January 2004.

Second global cooperation framework: new resources for 2004 [a]

Programme category	Core resources	Non-core resources	Grand total
1. Policy support services [b]	9.3	5.0	**14.3**
2. Other activities	1.0		**1.0**
HDRO	–		–
ODS	–		–
Contingencies [c]	1.0		**1.0**
3. Global programme	10.0	33.3	**43.3**
Total	**20.3** [d]	**38.3**	**58.6**

[a] These new resources will be programmed in line with the existing architecture of the second GCF.
[b] Including field-based policy specialists.
[c] In its decision 2002/18 on programming arrangements for the period 2004-2007, the Executive Board endorses fixed annual allocations for HDRO and ODS commencing in 2004. This funding is separate and distinct from the Global Programme allocation.
[d] Allocations made at the discretion of the Administrator.